



February 16, 2007

HOUSE BILL No. 1478

DIGEST OF HB 1478 (Updated February 15, 2007 2:14 pm - DI 92)

Citations Affected: IC 6-1.1.

Synopsis: Personal property tax assessment. Specifies that a person contracted to discover omitted or undervalued property may review only the three assessment years ending before January 1 of the year in which a taxpayer receives notice of the person's actions under the contract. Specifies the priority of payments from a special nonreverting fund created for the deposit of taxes resulting from additional assessments on undervalued or omitted property.

Effective: July 1, 2007.

Kuzman

January 23, 2007, read first time and referred to Committee on Ways and Means.
February 15, 2007, amended, reported — Do Pass.

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HB 1478—LS 7331/DI 92+



February 16, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1478

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-36-12, AS AMENDED BY P.L.154-2006,
2 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2007]: Sec. 12. (a) A board of county commissioners, a county
4 assessor, or an elected township assessor may enter into a contract for
5 the discovery of property that has been undervalued or omitted from
6 assessment. The contract must prohibit payment to the contractor for
7 discovery of undervaluation or omission with respect to a parcel or
8 personal property return before all appeals of the assessment of the
9 parcel or the assessment under the return have been finalized. The
10 contract may require the contractor to:

11 (1) examine and verify the accuracy of personal property returns
12 filed by taxpayers with a township assessor of a township in the
13 county **or the county assessor**; and

14 (2) compare a return with the books **and records** of the taxpayer
15 and with personal property owned, held, possessed, controlled, or
16 occupied by the taxpayer.

17 **(b) The actions of a contractor under subsection (a)(1) or (a)(2)**

HB 1478—LS 7331/DI 92+



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1 must be limited in scope to the three (3) assessment years ending
 2 before January 1 of the calendar year in which the taxpayer
 3 receives notice of the contractor's actions. Notice provided under
 4 this section must be in writing and must list each year for which
 5 returns and other records may be reviewed under subsection (a).
 6 For purposes of this subsection, notice is considered to have been
 7 received by the taxpayer as of the date of the notice.

8 (c) IC 6-1.1-9-3 does not apply to a contractor's actions under
 9 subsection (a).

10 ~~(b)~~ (d) This subsection applies if funds are not appropriated for
 11 payment of services performed under a contract described in subsection
 12 (a). The county auditor may create a special nonreverting fund in which
 13 the county treasurer shall deposit the amount of taxes, including
 14 penalties and interest, that result from additional assessments on
 15 undervalued or omitted property collected from all taxing jurisdictions
 16 in the county after deducting the amount of any property tax credits that
 17 reduce the owner's property tax liability for the undervalued or omitted
 18 property. The fund remains in existence during the term of the contract.
 19 Distributions shall be made from the fund without appropriation only
 20 for the following purposes and in the following order:

21 (1) First, for all contract fees and other costs related to the
 22 contract.

23 (2) Second, for deposit in the county's reassessment fund. The
 24 amount deposited in the county's reassessment fund under
 25 this subdivision may not exceed twenty percent (20%) of the
 26 remaining money collected as a result of a contract entered
 27 into under this section.

28 ~~(2)~~ (e) After the payments required by subdivision ~~(1)~~ subsection
 29 (d) have been made and the contract has expired, the county auditor
 30 shall distribute all money remaining in the fund to the appropriate
 31 taxing units in the county using the property tax rates of each taxing
 32 unit in effect at the time of the distribution.

33 (f) If the money in the fund established under subsection (b) is
 34 insufficient to pay the fees and costs related to a contract described
 35 in subsection (a), the county may pay the remaining fees and costs
 36 from the county's reassessment fund.

37 ~~(e)~~ (g) A board of county commissioners, a county assessor, or an
 38 elected township assessor may not contract for services under
 39 subsection (a) on a percentage basis.

40 (h) The department shall adopt rules under IC 4-22-2 to govern
 41 the certification of persons who wish to obtain a contract under
 42 this section.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1478, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Delete page 2.

Page 3, delete lines 1 through 7.

Page 3, line 20, after "county" delete ";" and insert "**or the county assessor;**".

Page 3, line 21, after "books" insert "**and records**".

Page 3, between lines 23 and 24, begin a new paragraph and insert:

"(b) The actions of a contractor under subsection (a)(1) or (a)(2) must be limited in scope to the three (3) assessment years ending before January 1 of the calendar year in which the taxpayer receives notice of the contractor's actions. Notice provided under this section must be in writing and must list each year for which returns and other records may be reviewed under subsection (a). For purposes of this subsection, notice is considered to have been received by the taxpayer as of the date of the notice.

(c) IC 6-1.1-9-3 does not apply to a contractor's actions under subsection (a)."

Page 3, line 24, strike "(b)" and insert "**(d)**".

Page 3, line 34, delete ":" and insert "**and in the following order:**".

Page 3, line 35, delete "All" and insert "**First, for** all".

Page 3, between lines 35 and 36, begin a new line block indented and insert:

"(2) Second, for deposit in the county's reassessment fund. The amount deposited in the county's reassessment fund under this subdivision may not exceed twenty percent (20%) of the remaining money collected as a result of a contract entered into under this section."

Page 3, delete lines 36 through 40, begin a new paragraph and insert:

"(2) (e) After the payments required by subdivision (1) subsection (d) have been made and the contract has expired, the county auditor shall distribute all money remaining in the fund to the appropriate taxing units in the county using the property tax rates of each taxing unit in effect at the time of the distribution."

Page 3, line 41, delete "(c)" and insert "**(f)**".

Page 4, line 3, delete "(d)" and insert "**(g)**".

Page 4, line 6, delete "(e)" and insert "**(h)**".

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Renumber all SECTIONS consecutively.
and when so amended that said bill do pass.

(Reference is to HB 1478 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 19, nays 0.

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